



# Newsletter

Oregon PERS Retirees, Inc.

Vol. 20 No. 2 Fall/Winter, 2010

## Dues due? Please renew!



If your label says "09" above your name you need to renew your membership.

Your membership expired at the end of last year.

\$5 will pay your dues for this year. Renew before January 1, 2011 when the new membership fee takes effect. Your check should be made out to OPRI.

Mail to: PO Box 12945  
Salem, OR 97309

P.S. If you receive this Newsletter via e-mail, please check your bank records to decide if it is time for you to renew.

## OPRI dues increase in January, 2011

The OPRI board approved the first-ever increase in dues at its July meeting.

The increase will take effect January 1, 2011. Annual dues will go from \$5 to \$10 and a lifetime membership will go from \$50 to \$75.

The need to increase dues, which have not changed since OPRI's founding almost 20 years ago, has been discussed by the board for the past year. The decision came only after several cost-reducing efforts were made, such as saving printing and postage costs by moving to a twice-a-year publication of the OPRI Newsletter, and providing members the opportunity to receive the newsletter via e-mail. (Sadly, few did.) Postage costs are expected to see yet another increase in 2011.



## You as an OPRI member; help achieve OPRI's mission

OPRI's mission is twofold: to keep PERS retirees informed about how PERS's actions affect them; and to seek ways to minimize decisions adverse to the interests of retirees.

To carry out its mission, OPRI watches the Legislature, the courts, and the PERS administration. In this issue of the Newsletter, please note OPRI's involvement in all three.

**On the legislative level** OPR-PAC has endorsed legislative candidates and provided campaign contributions to some. OPRI also has met with legislators.

**On the judicial level** OPRI has shared in litigation costs affecting retirees' rights and continues to monitor and report on the status of pending lawsuits.

**On the administrative level** OPRI is monitoring PERS' actions on rules relating to divorce settlements, PERS benefits, and on PERS implementations of SB 897. The PERS board is scheduled to approve the proposed rule for implementing that law at its November meeting.

OPRI cannot accomplish its mission without you, and we need not only the continuing support of long-time members, but we need new members to join and become a part of the only statewide organization strictly aimed at looking out for the

interests of PERS current and future retirees.

People who work for a local government agency, a school district, or a state agency, and those who have retired recently after working for one of these agencies are urged to become OPRI members.

With resurfaced concern about PERS' financial status, the 2011 Legislature undoubtedly will see another attempt to "reform" or tinker with PERS.

OPRI needs to be prepared to respond as an organization with a broadly based membership throughout the state. This was what made OPRI a viable voice for members. Many of the retirees then and most of the founders of OPRI who accepted the challenges of earlier years have now passed away, but the need to carry on the mission of OPRI continues.

Membership applications are available on the OPRI web site, [www.opri.org](http://www.opri.org), or by calling the office at 503-363-7084. Fill it out and mail to the OPRI office, along with the dues. New members before January 1, 2011 can join at the 2010 dues rate (\$5 annual and \$50 lifetime) before the dues increase takes effect in 2011.

**Don't forget: contribute to OPR-PAC**

**OPRI NEWSLETTER**

Published by  
Oregon PERS Retirees, Inc  
PO Box 12945  
Salem, OR 97309  
Ph 503-363-7084  
Web Site: [www.opri.org](http://www.opri.org)  
"Safeguarding current and  
future retirees' interest."

**Officers**

*Chairperson*  
Kathleen Beaufait, Salem  
*Vice-Chairperson*  
Bob Oleson, Wilsonville  
*Newsletter Editor*  
Vinita Howard

## Beaufait stays as OPRI chair: Oleson new vice- chair

OPRI board members had a full agenda in September. It included naming a chair and vice-chair, as well as more discussion of key legislative races in November.

Most of the agenda was given over to appointment of board members, particularly in view of the resignation of Pat West from the board and as chairman of the OPR-PAC. Board members named Kathleen Beaufait to continue serving as chair and also chose Bob Oleson to serve as the new vice-chair, succeeding Pat West.

Russ Gregory also continues to fill one of the school district positions. OPRI appears to now have a second representative to serve as a school district retiree on the board. The representative will be named at the next board meeting.

Beaufait had said she would not seek to continue as OPRI chair, but agreed to continue in view of other board changes that occurred, including the resignation of West following his appointment to the PERS board.

Bob Becker, the former chair of OPRI, was selected to serve on OPR-PAC.

## OPR-PAC endorses and contributes to some 2010 legislative candidates

The OPR-PAC decided in July to endorse some candidates seeking election or reelection to the Legislature in November. In September, the PAC added five endorsements to its list.

The OPR-PAC was chaired by Pat West until his resignation on Oct. 1. Other members of the PAC are Carol Fleming and Kathleen Beaufait.

The OPRI board heard the OPR-PAC's decision to endorse candidates this year for the first time in recent years. The exact amount of financial support for endorsed candidates was determined by the PAC in September. Those who also received financial support also are noted below.

Here are the endorsements and the amount, if any, OPR-PAC contributed to endorsed candidates.

**Senate Races:**

Peter Courtney (D) district #11 endorsed & \$250 on 7/26

Brent Barton (D) district #26 endorsed on 7/26

Alan Bates (D) district #3 endorsed on 7/26

C. Riley (D) district #15 endorsed on 7/26

Richard Devlin (D) district #19 endorsed on 7/26; \$250 contribution on 9/30

Martha Schrader (D) district #20 endorsed & \$250 on 9/30

**House Races:**

Dave Hunt (D) district #40 endorsed on 7/26

Katie Riley (D) district #29 endorsed on 7/26

Cheryl Myers (D) district #51 endorsed on 7/26

Deborah Boone (D) district #32 endorsed on 7/26

Suzanne VanOrman (D) district #52 endorsed on 7/26

Arnie Roblan (D) district #9 endorsed on 7/26

Betty Komp (D) district #22 endorsed on 7/26

Bill Kennemer (R) district #39 endorsed on 7/26; \$250 on 9/30

Mike Schaufler (D) district #48 endorsed on 7/26; \$250 on 9/30

Greg Matthews (D) district #50 endorsed on 7/26; \$250 on 9/30

Brad Witt (D) district #31 endorsed on 9/30

Jeff Barker (D) district #28 endorsed on 9/30

Bruce Hanna (R) district #7 endorsed & \$250 on 9/30

Jules Bailey (D) district #42 endorsed & \$250 on 9/30

Vicki Berger (R) district #20 endorsed & \$250 on 9/30

Will Rassmussen (D) district #37 endorsed & \$250 on 9/30

Although campaigning time is short, if you live in a district where one of these candidates is running for election or re-election, OPR-PAC urges OPRI members to lend a helping hand to endorsed candidates. If you do so, be sure you let the candidate and his or her staff know that you are helping as an OPRI retired member of PERS.

## Pat West named to PERS board

PERS retirees now have a voice on the PERS board, thanks to the appointment of Pat West to the board. That's good news, even though it meant that OPRI lost a local government representative on its board and its vice-chairman, as well as the chair of the OPR-PAC.

West, a retired Salem fireman, also has been active in the PERS Coalition. West's appointment was approved Sept. 23 by the Senate.

The successful lobbying effort to override the Governor's veto of SB 897 cleared the way for West to be named to the PERS board as a retired member. (Remember that since 2003, only a currently active PERS member could serve on the board.) After SB 897 passed in the 2009 session, OPRI wrote to the Governor urging West's appointment to the PERS board so that retirees could

(continued on page 3)

## Early Retirees need to stay watchful on PEBB actions

If you are a retired public employee and under 65, you need to keep alert to what PEBB is doing. There are about 2250 retirees under 65 who get health insurance through the Public Employees Benefit Board.

At its June meeting, PEBB began discussing a proposal that, if adopted, would result in higher premiums for retirees under 65.. The change would separate out of the PEBB health insurance pool retirees who are not old enough for Medicare. These retirees still would be allowed to take part in PEBB health insurance but would be in a separate and smaller pool. This

means that their coverage would no longer be subsidized to the extent that early retirees would not be included in the larger PEBB pool that includes younger workers.

PEBB did not approve that proposal this summer, but it still could become an issue later on. If you are in the under 65 age group and retired or thinking about retiring, be alert. You might want to let your legislator know what this change by PEBB could mean to you. The 10 member PEBB board includes two legislators. You can access the PEBB web site, which includes a list of all board members

at <http://www.oregon.gov/DAS/PEBB/>.

There's another wrinkle on this issue. In February, the Oregon Supreme Court ruled that the city of Medford must provide health benefits to its retirees. In a case that may have statewide repercussions, a Jackson County Circuit Court Judge had ordered attorneys for the city and the retired employees to hash out differences in creating a health plan for retirees who have not reached the age of 65. Watch for further developments and possible repercussions.

## PERS errors can result in financial trauma

The special session of the 2010 Legislature overrode the Governor's veto of SB 897, the bill that will fix a flaw in the way PERS handles errors in dealing with retirees, but it comes too late for at least two widows in the Portland metro area. Their problems were featured in media reports, but are worth repeating here to remind OPRI members why it was important to get the provisions in SB 897 in the law.

One woman, Dawn Gloeckner, has been fighting PERS because the retirement agency wants her to pay back more than \$75,000 it paid her because of a mistake PERS made.

Here's what happened:

Seven years ago, her husband,

a retired police officer, died and she received the money as her husband's death benefit. Years later, PERS came back to her and said that an audit had revealed they had overpaid her by \$74,975 and the agency wanted it back. She hired a lawyer and argued that since the state made a mistake there was no reason she should owe it money, but she lost.

Next, the state began garnishing her wages, first at \$800 a month and then down to \$500. By this past summer, her "debt" was down to \$63,000. Gloeckner, in the meantime, lost her job so the state then began to talk about putting a lien against her home.

The second reported victim of

a PERS error was Valerie Duty, whose husband was a shop teacher in a high school. For three years after he died, she received his retirement benefit. Then she received a letter that said she had to pay back taxes of over \$13,000. After three years of payments and getting PERS problems behind her she got another letter a few months ago. This time, she was told she needed to pay back over \$60,000 because of mistakes PERS' had made in calculating the benefit she had received.

There are at least four other cases still pending because of errors PERS made. No one knows for sure how many other retirees or beneficiaries may be in similar fixes because PERS erred in calculating a benefit, but beginning next July the changes made in SB 897 will provide a remedy.

The case illustrates once again the need to be vigilant in the 2011 session. At least one rumor has it that a bill just might be waiting in the wings to undo at least some of the provisions in SB 897.

## Pat West *(cont. from page 2)*

again serve on the board. When the veto of SB 897 was overridden, West's appointment was again possible. His appointment also was supported by the PERS Coalition.

Another development on the political front occurred in late September when several representatives of the PERS Coalition,

including OPRI's chair, Kathleen Beaufait, and Dave Reinhard, our lobbyist, met with Rep. Dennis Richardson, a persistent critic of the PERS retirement system. The hour-long meeting was arranged to try to get a better understanding of Richardson's criticisms and to provide him with a different point of view about PERS' retirees.

## OPRI will stay with Public Affairs Counsel

A special sub-committee named by Chair Kathleen Beaufait earlier this year to evaluate the effectiveness of OPRI's current lobbying arrangement concluded its review and no change will be made in the current arrangement with Public Affairs Counsel of Salem.

Sub-committee members were Russ Gregory and Bob Oleson, along with Pat West, OPRI vice-chairperson, who chaired the sub-committee.

Public Affairs Counsel is the voice for the OPR-PAC in legislative and PERS Coalition issues. It also provides day-to-day staff services for OPRI. That includes maintaining membership records, paying bills and handling other financial tasks.



## Lawsuits in a Nutshell... October, 2010

To say that nothing much is happening on the legal front probably would be the true picture of the various lawsuits still alive and waiting final resolution. About the only news is the fact that the Court of Appeals held hearings for both the Arken and Robinson cases on September 2.

### End not in sight

Legal counsel indicates that the justices had many questions on both cases, but that a quick opinion on either case is not expected. Even when that happens, the end is not near because appeals to the state Supreme Court undoubtedly will be made in both cases.

You will remember that Arken is the case on behalf of window retirees arguing that they are entitled to the full benefits they were promised and, in addition, to all COLA payments.

### Another 2003 reform fallout

The Robinson case dates back to a judge's decision that Section 14(b) of the 2003 reform legislation limited the ability of PERS to collect amounts overpaid to window retirees and ordered PERS to stop the process of recovery. Under the stay PERS has not attempted to collect any amounts that it believes to be overpaid but continues to adjust pension benefits for retirees to reflect what it believes to be the correct payment with the lower earnings rate of 11.33% for 1999 earnings.

Other cases still "in the works" are Kay Bell, White, and Murray. You will find details on all these cases on the OPRI web site on the What's Happening - News page.

### Late breaking news

At the request of the Oregonian newspaper, the Attorney General has ordered PERS to reveal the names and dollar PERS benefit for PERS retirees whose benefits exceed \$100,000 annually.

The PERS Coalition with OPRI is seeking legal advice on how to resist the release of names of PERS retirees as a possible invasion of privacy. Keep up on this issue on the OPRI website.

PRSRRT STD  
US POSTAGE  
PAID  
SALEM, OR  
PERMIT #3398

Return Service Requested  
Oregon PERS Retirees, Inc.  
PO Box 12945  
Salem, OR 97309  
e-mail: [pacounsel@pacounsel.org](mailto:pacounsel@pacounsel.org)